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KRISTY H. NICHOLS
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of State Uniform Payroll

August 11, 2015

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2016-07

TO: LaGov HCM Agency Human Resources
and Employee Administration Staff

FROM: Andrea P. Hubbard
Director

SUBJECT: Rate and Policy Changes for Statewide Vendor Products

Colonial Life & Accident (Cancer), Starmount Life (Dental), and Transamerica Life (Cancer and Cancer- C/V) will be implementing rate increases effective January 1, 2016 for the above policies. Guaranty Assurance (Dental) will be implementing a change to their policies effective January 1, 2016. This policy change will increase co-pays, but premiums will remain the same.

By August 24, 2015, these vendors will mail letters to all agencies affected by the rate increase and/or policy change, along with a list of the employees' current deduction amounts and the new amounts. At the same time, letters will be mailed from these vendors to the employees affected notifying them of the change. A new Payroll Deduction Authorization Form (SED-4) with the new rates will also be enclosed with the letter.

Employees who accept the rate change or the policy change must sign the forms and send them back to the appropriate vendor by October 12, 2015. Vendors will forward a signed copy of the SED-4 form to the payroll office by November 2, 2015 to be entered. Agencies should have all deduction changes entered for the January 8, 2016 payday. Employees who do not submit the signed SED-4 by the October 12th deadline will have their policies cancelled upon notice from these vendors, effective January 1, 2016.

Vendors will prepare and send a list of employees who did not agree to the changed rates or policy (did not sign the new SED-4 form) to the payroll offices by November 9, 2015. The list will indicate the employee's name, social security number, and product. A new Payroll Deduction Authorization Form, SED-4, will also be mailed to the employee and agency indicating that coverage for this specific policy has been cancelled effective January 1, 2016. **The employee signature is not required on these SED-4's. The SED-4 should include all other active policies the employee has with the vendor as new SED-4's supersede all prior forms.**

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Cancellations and rate changes must be entered by the agency in LaGov HCM before January 4, 2016 in order for the correct deductions to be taken on the January 8, 2016 payday. Failure to do so will result in the agency having to make retroactive adjustments in order to correct the deductions. Retroactive adjustments could result in refunds being processed or inflated premiums in the pay period following the adjustments. **Procedures about changes to the way that Statewide Vendor deductions are entered and corrected are forthcoming.**

Employees who accept the rate increase but will not have had the policy in force for one full year, as of January 1, 2016, cannot have the rate increase effective until that one year has passed per the Louisiana Insurance Code (Title 22 of the Louisiana Revised Statutes). If these vendors choose to have the increase effective when that year is up, they must include this information in a cover letter to the agencies with the SED-4 so that the increase will be handled properly for those employees enrolled in the Flexible Benefits Plan.

If you have any questions about the rate or policy changes, please contact the following Administrative Coordinators for the vendors listed below:

Colonial Life & Accident, Sheila Petty (803) 678-6430
Guaranty Assurance, Dacia Olivarez (866) 436-3093
Starmount Life, Rosalyn Duty (888) 729-5433 ext 225
Transamerica Life, Leslie Hubbard (800) 400-3042 ext 1271382

Any other questions should be directed to a member of the OSUP Benefits and Financial Administration Unit at _DOA-OSUP-BFA@LA.GOV or (225):

Jodi Bullock	342-5345	Desiree Jefferson	342-5377
Kenya Warren	342-5357	Brandy Boyd	342-5354
Jessamye Charette	342-5344		

APH:JAB/par

c: Lynette Deloch, Office of Group Benefits
Elise Cazes, Office of Group Benefits
Sheila Petty, Colonial Life & Accident
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